

Information Services Board Meeting Minutes

Department of Information Services Boardroom, The Forum Building
Olympia, Washington
May 8, 2000

Members Present:

Emilio Cantu
Joe Dear
Clare Donahue
Jayasri Guha
Earl Heister
Steve Kolodney
Renee Radcliff
Marsha Tadano Long
Cathy Wolfe

Others Present:

Paul Taylor

Members Absent:

Lisa Brown
Ed Lazowska
William Finkbeiner
Tom Fitzsimmons
Mary McQueen

Call to Order

Mr. Steve Kolodney, on behalf of Mr. Joe Dear, Information Services Board (ISB) Chair, called the meeting to order. He introduced a new ISB member, Clare Donahue, Chief Information Officer, Superintendent of Public Instruction (SPI).

Roll Call

A sufficient number of members arrived to constitute a quorum.

Approval of Minutes

Minutes from the July 28, 1999, October 20, 1999, December 10, 1999 and February 16, 2000 meetings were approved.

Digital Government Update

Mr. Paul Taylor, Chief of Staff, Information Services Board (ISB), reported on the progress of objectives for digital government that were articulated at the October 20, 1999 ISB meeting. Government needs assurances that its services are dependable, secure, auditable, and cost-effective. He said work has been done to prepare to transform the way citizens do business with government. The ISB accomplishments include an approved Information Technology Investment Policy and Internet standards and protocols. A remaining action item for the ISB is the approval of the Information Technology Security Policy. The Department of Information Services (DIS) has been working on defining an architecture that creates an enabling environment (architecture) for digital government.

Digital Government Update
(continued)

Mr. Taylor introduced Mr. John Saunders, DIS Digital Government Strategies Manager, to provide an update on the digital government architecture. Mr. Saunders explained the role of the Access Washington portal that provides citizens anonymous access to public information about government. He said that Inside Washington allows state employees secure access to the information needed to meet their day-to-day information access requirements.

A project underway called Trans@ct Washington will allow a third type of Internet access used to conduct business transactions between trading partners in a virtual market place that involves the exchange of sensitive information such as credit card numbers or health data. It will provide access authentication and identity verification, adding higher levels of security than available with Access Washington.

The concept of Trans@ct was a result of a 1999 requirements analysis commissioned by DIS with other state agencies such as Department of Labor and Industries (L&I), Department of Revenue (DOR) and Department of Licensing (DOL). The analysis concluded that having the infrastructure to offer multiple applications would leverage the use of a single credential and payment method. Trans@ct will allow citizens to use one business process to enroll and register for multiple applications such as paying DOR business taxes and L&I industrial insurance premiums. Once citizens have been identified and issued credentials, they can access services personalized for their needs.

Senator Emilio Cantu asked if individuals would be able to check on the status of their transactions. Mr. Saunders said yes but added that the agencies would own their applications available through Trans@ct. Ms. Jayasri Guha asked if agencies would publish the service levels with the public expectation of a speedy response. Mr. Saunders said that would be a function of the application.

Three components are important to the success of Trans@ct. First, the Access Washington portal is a location that trading partners from the public can go to find the services they need. Second, DIS will deploy a public key infrastructure (PKI) through a third party, Digital Signature Trust. The PKI will establish identity through the issuance of a digital certificate. Third, a central, secured directory will be implemented for access control, authentication, and authorization for registered trading partners.

Digital Government Update
(continued)

Senator Cantu asked whether the trading partners have been involved and if their feedback has been documented in the design phase. Mr. Saunders said structured focus groups have been integral to defining the user requirements for the digital government applications. In addition, a single point of contact at DIS replies to all online inquiries and feedback from the users of Access Washington. An "early adopter" program was established with four public entities and one private sector firm and will be deploying digital certificates, PKI and Trans@ct applications over the next six months. Mr. Taylor added the Digital Applications Academy offered another method for gathering feedback and user requirements for digital government applications such as the Parks and Recreation Commission's boat moorage permit. The DOR Electronic Filing (ELF) project was also developed and implemented with businesses participating in the pilot.

Mr. Saunders said the first release of Trans@ct will be available at the end of June 2000 and a production level of service will be available by the end of September 2000. The Treasurer's Office has signed a new merchant bank agreement for online credit card processing with the Bank of America that will be available to all state agencies. DIS now offers a secured web hosting service that can handle credit card payment processing. DIS is also investigating other payment processing services to be integrated into Trans@ct. Credit card numbers will be encrypted with the highest form of commercially available encryption technology and passed to the Bank of America for payment processing.

Ms. Clare Donahue asked if the Office of Superintendent of Public Instruction could use Trans@ct to allow teachers to pay online with credit cards for teacher certification. Mr. Saunders confirmed that would be possible by the end of June.

Mr. Saunders said the final component is the policy required to set up the relationships that parties agree to and rely upon in setting minimum standards and expectations.

**Information Technology
Security Policy Update**

Mr. Taylor described the business model for digital government as a continuum from simple to very complex applications that process sensitive data or high-risk transactions. They all may operate in the same underlying infrastructure, but require varying levels of security. The majority of digital government applications are simple, but the complex few require a

**Information Technology
Security Policy Update**
(continued)

more secure processing environment. The 1993 ISB Information Technology (IT) Security Policy needs updating to address the security issues of open networks and interconnected systems and to enable the enterprise approach to digital government.

Mr. Taylor said there are two recent executive orders related to digital government. The first addresses software piracy and requires state agencies to adopt policies to ensure that their software is properly licensed. The second accentuates statutory provisions about the re-use of personally identifiable information. It requires, in part, agencies to adopt a privacy and public disclosure notice on their websites that informs users at the point of information collection how that information will be used. Mr. Taylor added that credit card, checking account and debit card numbers are now exempt from public disclosure because of a statutory change during the 2000 legislative session.

Mr. Taylor emphasized the importance of protecting the infrastructure from unauthorized access through "back doors" and approaching security with a policy of mutual distrust until proven friendly. He introduced Mr. Jeff Scheel, a consultant with R & G Associates, LLC, to present an overview of the draft IT Security Policy developed on behalf of the Board.

Mr. Scheel said that the enabling technology that allows us to give out information also creates an environment that must be constrained. He said the public's expectation now requires the ability to use Internet and Internet "appliances" such as cellular phones and personal digital assistants to conduct everyday business with government. He said the updated IT Security Policy takes an enterprise-wide approach to IT security while respecting the agencies' autonomy. He interviewed many agencies and worked closely with the Technical Architecture Advisory Group (TAAG) security sub-committee on authentication. The goal is to update the policies and standards so that they are enforceable and auditable while accounting for the mutual interdependencies of the entities.

Ms. Donahue cited the difficulty a non-technical person might have making a decision about how much authentication is needed to access various digital applications. She asked if there are methods for determining appropriate controls. Mr. Scheel said the guidelines contain questions about the nature of the data and the environment to help quantify the

**Information Technology
Security Policy Update**
(continued)

level of risk and determine the level of assurance and authentication required proving identity and allowing access.

Senator Cantu acknowledged there would be issues around private information because of the state's public disclosure laws. He said there needs to be a balance that makes people comfortable about the protection of information. He asked if digital government would save a citizen from having to supply the same information to many entities. Mr. Taylor said Trans@ct Washington should make it easier for the citizen.

Mr. Earl Heister asked if the policy contains provisions for software systems engineering to improve application security and asked which parts of the infrastructure would be managed centrally or in a distributed manner. Mr. Taylor said the standards and guidelines would provide more detailed information on these issues. Mr. Heister recommended expanding the description of security threats.

Mr. Kolodney said the state has created the architecture to enable government business transactions to go from the citizen straight to the databases. He emphasized the policy would be the cornerstone to build architecture and applications that reduce the costs of doing business.

The ISB recommended that DIS work with Dr. Ed Lazowska and University of Washington security experts to perfect the IT Security Policy and present it for ISB's consideration at its next meeting.

**Employment Security
Department Work Source
Washington, One Stop
Operating System Status
Report**

Mr. Stan Ditterline, Senior Information Technology Management Consultant, DIS, said in the fall of 1998 the Employment Security Department (ESD) conducted a feasibility study for a one-stop Customer Employment Tracking and Accountability Tracking System (CTAS). Based on the results of the feasibility study, ESD requested and received ISB approval of a CTAS acquisition plan on May 20, 1999. The plan was to acquire the services of a systems integrator that used a package or public domain system as a starting point and managed the installation and customization for Washington's specific requirements. Pending investigation of a federally-sponsored One-Stop Operating System (OSOS) under development in conjunction with America's Job Bank Service Center (AJBSC) and the

**Employment Security
Department Work Source
Washington, One-Stop
Operating System Status
Report** *(continued)*

state of Utah, ESD withheld the release of the Request for Proposal (RFP). Subsequently, Utah separated from ABJSC to complete its own version of OSOS, called UWORKS.

Following a thorough analysis of AJBSC and UWORKS, ESD requested and received approval from the Work Source Executive Policy Council on March 1, 2000 to transfer the UWORKS system to Washington and customize it to become the State's version of OSOS. The Oracle Corporation will serve as the systems integrator. In addition to the customer tracking accountability and case management functions, the system will provide labor exchange functionality and will be able to integrate the existing Work Source website as a self-service portal. Mr. Ditterline introduced Mr. Carver Gayton, ESD Commissioner, Mr. Nelson Meyers, Work Source Deputy Assistant Commissioner, ESD and Mr. Gary Gallwas, Employment and Training Assistant Commissioner, ESD to provide the project status report.

Before providing a status report on CTAS, Mr. Gayton notified the ISB that ESD had terminated its contract with IKON on the Document Entry and Retrieval Project (DESR). Development has been stopped and contractors are assessing and documenting the system. He expects the system will be ready for production in the fall of 2000. Senator Cantu asked if IKON had imposed any termination fees on the state as a result of the cancelled contract. Mr. Gayton answered no and that ESD had held back paying IKON \$1.5 million of the original costs because the contract was performance-based.

Returning to the agenda item, Mr. Gayton said ESD was making significant progress with OSOS. Business plans for 12 local service delivery areas have been completed and are on schedule. Policies have been implemented with the guidance of the Executive Policy Council. Common data definitions have been established and core services definitions and descriptions have been completed. Common statewide indicators for system outcomes, the statewide training plan and service delivery design are done.

Mr. Gayton said the next steps are to implement the technology, develop and implement a statewide marketing plan, and identify and resolve any barriers for integration among state agencies.

**Employment Security
Department Work Source
Washington, One-Stop
Operating System Status
Report** *(continued)*

ESD plans to provide support and assistance to local implementation efforts.

The transfer and modification of Utah's OSOS constitutes a refinement to the initial strategy, not a major change. The system's technical architecture will align with the state's electronic commerce approach and access to the system will be through the DIS telecommunications network for Washington state agencies and community colleges. Self-service customers and non-state affiliates will access the system using the Internet.

The Oracle database will be an enterprise investment that will be used to support agency data warehouse initiatives and other electronic commerce solutions for the future.

The implementation plans show that the July to October 2000 timeframe will be used for technical changes to the Utah system. Integration testing is planned for November 2000. The pilot for the application will begin in January 2001 and beginning in March 2001, ESD plans to implement OSOS in each of the 12 Work Source locations.

The risk assessment showed the project to be medium-high risk.

The costs will increase approximately \$60,000 or two percent per year more than the existing system, but a broader range of services will be available. The actual project costs are estimated at \$3.7 million compared to the \$4.7 million estimated in the original acquisition plan.

Mr. Kolodney asked if the project was different from the original plan in terms of alignment with other states. Mr. Gayton said the Utah system was closer to meeting their requirements but that they would continue to work with the U.S. Department of Labor to ensure that federal requirements are met.

Senator Cantu asked for the reasons for going with the Utah system instead of the AJBSC system. Mr. Thomas Bynum, ESD Information Technology Services Division Director said that the AJBSC did not offer the same level of project management as the Utah project and that the Department of Labor did not own the code. The code was owned by a third party and was not the preferred approach.

**Employment Security
Department Work Source
Washington, One-Stop
Operating System Status
Report** *(continued)*

Senator Cantu also requested verification that the ESD Work Source system would be able to communicate with other state systems as required. Mr. Gayton said the system will interface with the Unemployment Insurance system and Association of County/City Information Systems (ACCIS).

New Business

Mr. Taylor provided the ISB with a letter from Ms. Mary Selecky, Secretary, Department of Health (DOH), on a decision related to the License 2000 application. DOH cancelled the RFP and terminated negotiations with System Automation Corporation of Maryland. DOH will continue to operate its existing legacy system which, while not supported by the vendor, uses source code owned by the department. DOH is planning and working on development of a near and mid-term approach.

Adjournment

The meeting was adjourned.